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UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

October 10, 1952

P R E S S D I G E S T

A Sample of Newspaper Stories and Comment Regarding the
Rural Electrification and Rural Telephone Program

TELEPHONES

CRANK PHONE ERA IS ENDED AT SHELLSBURG Cedar Rapids (Iowa) Gazette
August 24, 1952

Shellsburg--The end of an era was marked by Shellsburg community as dedication ceremonies ushered in the dial telephone system this afternoon. Out went the old-crank system. It is the first dial telephone system in the U. S. that was designed from scratch and fully financed by the REA. K. W. Benckert, a chief in the REA, and main speaker, said Iowa "is far ahead" of other areas in rural telephone progress. Donald Showman, manager of the Farmers' Mutual Telephone Company, talked through a phone hookup at the bandstand to Administrator Wickard in Washington. Voices of the men were transmitted over the public address system for the audience. An area of about 12 square miles is being served by the new system with about 350 telephones operating. L. W. Proctor, sales representative of North Electric Company of Galion, Ohio, told the audience the new telephone operations "are a history-making event not only in the community but nationally." The loan acquired by Farmers' Mutual from REA totaled \$128,000. So far less than \$100,000 has been spent. Iowa will also have the second fully financed and rebuilt dial system in the country, REA officials pointed out. A complete cutover to dial phones will be made August 29 at the Griswold Cooperative Telephone Company to serve almost 1100 persons in southwest Iowa.

WILLISTON HAS HAPPY FUNERAL:
BURIES OLD TELEPHONE SYSTEM

The State
Columbia, South Carolina
September 15, 1952

Williston--They had a happy funeral at Williston. The occasion was the burial of the old-fashioned magneto telephone system which has served that H-bomb town since 1905. Simultaneously, a new dial system went into service. Chief mourner and happiest witness was Byron Wham, owner of the independent Williston Telephone Company. The ceremony also marked the cutover of the first REA-financed telephone system in the Southeast. Williston's Mayor Kennedy placed the first call to U. S. Rep. John Riley. Mr. Wham, Mayor Kennedy and Winchester Smith, member of the S. C. Public Service Commission, made short addresses at the new telephone building.

(Note: The article was accompanied by pictures, including one of Wham mourning at the grave of the handcrank telephone with its cardboard marker: HERE LIES AN OLD HANDCRANK TELEPHONE. The September 11, 1952 issue of the Williston Way carried two half page ads in connection with

the celebration. One was an announcement by the telephone company of its cutover the day before. The other ad read "Congratulations, Williston Telephone Company, on your Progress," and carried the names of business firms.)

**COST OF LIVING--AND THE
TELEPHONE BUSINESS**

Excerpts from address by C. F. Mason,
Chmn., Associated Tele Co., Ltd., Santa
Monica, Calif., before Convention of
Calif. Independent Tel Assn.
Telephony,
August 30, 1952

Although at the beginning of this year, REA had made about twice as many loans to private telephone companies as it had to co-ops, the dollar amount of the co-op loans had totaled about 25 percent more than loans to private companies. During recent months it has become apparent that REA is shifting its emphasis toward rural telephone loans, how that its job of bringing electricity to the farmer is drawing to a close. But what about stories that certain co-ops backed by REA loans are offering fictitiously high prices for private company properties, just to buy them out and convert their operations to co-op management? Is not this the sort of thing for which the old electricity utility holding companies were criticized 20 years ago? If that is going to occur in the telephone field under the auspices of REA, the telephone industry must do something about it! We are in business to furnish telephone service but we are in business also to make money. In our case, it is difficult to separate our obligation to the public from our obligation to the people who have invested their savings in our business.

**IL SERVIZIO TELEFONICO NELLE ZONE
AGRICOLE DEGLI STATI UNITI**

Memorie Ed Atti
(Official publication of Italian
Engineering Society)
Marzo-Aprile 1952

An article by Felix Cecchetti of the REA Technical Standards Division,
on the rural telephone program.

"COMING EVENTS CAST SHADOWS BEFORE"

Fortnightly Telephone Engineer
August 1, 1952

A large section of the independent telephone industry is now facing a situation that can drastically change the present make up of that industry. These circumstances are: The policy of REA with respect to the type of construction, and the quality of service that must be supplied by its borrowers, plus the need for extension, or modernization, or both, of many existing small exchanges. As REA-financed co-ops or commercial companies are built adjacent to existing older plants, public pressure on owners of these plants to meet these higher standards and service will be very heavy. These are the companies nearest the firing line on this proposition. Precise figures are not available on this group. But estimates indicate service supplied is about 50% to 55% magneto, 30% to 33% common battery, and the remainder dial. To June 1, 1952, REA had allocated some \$68,100,000. About 62% went to 71 co-ops and about 38% to 103 commercial companies. The number of commercial company loans pending is not available but it seems clear the number of

Independents borrowing from REA is, percentagewise, quite small. We think it might be worthwhile for small Independents to investigate thoroughly the practicality of obtaining REA loans for extension and modernization.

REA ACTIVITIES

Telephony
August 16, 1952

REA is increasing the tempo of loans setting up rural telephone co-operatives. Recently Southern Continental Telephone Company properties in five Kentucky counties were sold to Southcentral Telephone Cooperative Corporation. The co-op plans to serve the area under an REA program. At a recent meeting between REA officials and rural co-op representatives in Fargo, N. D., assurances were made that four N. D. rural telephone companies would have loan applications approved--totaling \$3,200,000--before October 1. It was also promised that four more rural telephone co-op loans totaling \$7,500,000 would be approved by REA before Christmas. Federal REA men also let it be known that REA was opposed to the rural telephone co-ops including "switcher" lines in their programs.

ELECTRIFICATION

REA'S PROUD DAY

Column by Alfred D. Stedman
St. Paul Pioneer Press
August 3, 1952

This is dedication day for the fine new steam generating plant at Elk River--a \$4½ million institution, the largest and most modern REA power plant in Minnesota. It is a day of speechmaking by government dignitaries. But who, really are the chief gainers here today? No. 1 is the farmer--26,000 of him. For here is generated the power that lifts from his back a gruelling burden. Once the farmer wondered how he could afford electricity. Now he knows even for a day or an hour, he cannot possibly afford to be without it. No. 2 is the farmer's wife and family. Electricity has struck off her chains to the pump, tub, needle and broom. No. 3 is American business and industry and their employees. They hum with the jobs of bringing electricity to 3½ million rural consumers, 2/3 of them farm. Producing some electricity in their own plants, REA co-ops are customers of private power companies for the lion's share of it. Their power bill is pushing up toward \$100 million a year. No. 4 is the consumer. The milk, meat, eggs, vegetables and grain couldn't possibly be produced to feed America's growing population without the increased production through using more and more electricity. No. 5 is the taxpayer. The \$2½ billion advances by the REA are loans and not gifts nor subsidies. At last report, close to \$200 millions had been repaid. More than \$100 million in interest has been paid into the U. S. Treasury. In the Elk River plant's supply area alone, REA co-ops are paying the state and counties \$240,000 a year in property taxes.

LOANS AND REPAYMENTS

Lexington (Ky.) Dispatch
July 20, 1952

Here's a tip to Congressmen who promptly report the granting of large loans to rural electric co-ops, and other agencies which borrow money from the Federal government. The REA is one of the finest things that has come to American farm life. The big loans to these corporations make news. Our suggestion is that Congressmen also report repayments and interest payments on these loans. Give the public both sides of the picture.

CO-OP MEMBERS TO RECEIVE CASH

(New Orleans)
The Times-Picayune
May 29, 1952

Jeanerette, La., - - The Teche Electric Cooperative announced that 1460 member-consumers will receive cash payments representing their share of the co-op's operating surplus for 1947. Out of approximately 1000 co-ops in the U. S. financed by REA, only one other, the Marshall County Electric Membership Corporation, Plymouth, Indiana, has been able to refund their surplus to members under the REA formula, according to Edgar Chaney, Manager of Teche Electric. The refunds will be made in proportion to each member's patronage, the president said. The largest rebate is due Humble Refining Company, in the amount of \$662.43. The smallest payment due is 66 cents. The average will be \$14.29.

WASHINGTON NEWS COLUMN

Electric Light & Power
August 1952

We wish to correct an extremely wrong statement which was made in our June issue regarding the Electric Consumers Conference and the sponsoring organization, the American Public Power Association. On page 206 the Conference was referred to as a Commie front organization which is entirely untrue and for which we offer our sincere apologies. None of the groups which participated in the conference can be considered to be affiliated with the Communist party.

We also wish to make it clear that our Washington correspondent, Ralph Elliott, did not write the piece as it appeared. The error was caused by a member of our Chicago staff.

SHOOTING AN OLD REA BALLOON

Editorial in
News Leader
Richmond, Virginia
July 15, 1952

At the annual meeting of the Mecklenburg Electric Co-op, Mgr. J. E. Smith and Treasurer Copley raised the same old happy balloon that co-op spokesmen have been raising for 17 years. Copley said Mecklenburg paid \$38,000 in taxes last year. Mr. Smith declared that Mecklenburg had been built like any other business enterprise with the possible exception that the owners were also the consumers of its product. Mecklenburg's competitor is VEPCO. Last year VEPCO paid taxes on its electric operations of nearly \$13 million. Both the SCC and the FPC place the cost of money to private utilities at 6 percent. Ordinarily a business enterprise

originates when a man manages to accumulate savings which he invests in his venture. That is known as "equity capital." There was not a nickel of equity capital in Mecklenburg when it was organized. We have no quarrel with the REA co-ops. We do get fed up at the co-ops' boast that they, and they alone, are responsible for all rural electrification in this country.

Letter to Editor
News Leader
August 26, 1952

Re your editorial "Shooting an Old REA Balloon", nowhere did we say the power companies did not pay taxes nor did we compare interest rates. Last year Mecklenburg had gross revenue of \$582,560 compared to over \$63½ million of VEPCO. Of those revenues, Mecklenburg had no profit compared to over \$21½ million profits made by VEPCO before income taxes. You must have known that the cost of money to private utilities is not 6 percent. If you had taken time to look at the Annual Reports of both VEPCO and the co-op, you could have seen that VEPCO has over \$134 million in bonds (averaging) 3 3/8 percent and less. You stated that a business originates when a businessman manages to accumulate some savings which he invests. History will show that many of our great businesses were started by the faith of a banker in the integrity of an individual. That is how the electric co-op was started. The Federal government had faith in the integrity of the farmer. You state that there was not a nickel of equity capital in Mecklenburg when it was organized. You could have seen in the Annual Report for last year that the members of Mecklenburg had over \$46,500 paid in by them as equity capital.

J. E. Smith, President
Mecklenburg Electric Cooperative

Ed. note---If Reader Smith wants to believe the total cost of money to a private enterprise is bond interest, he is entitled to believe it. The figure of 6 percent was obtained from VEPCO's comptroller and covers all interest and dividends required to attract and hold capital.

CAMPAIGN FOR BIGGER CROPS

Article by A. A. Walters in
Electrical Wholesaling
June 1952

Electrical wholesalers who are seeking ways of expanding their farm sales can get help in the more than 1000 areas served by REA-financed systems. Those systems have launched a government sponsored "Electric Farming Campaign" which has high standing in the national mobilization effort. Two barriers to increased farm production must be by-passed. First, little additional land, second, supply of farm labor is being drained away. REA urges its borrowers to undertake active electric farming promotion campaigns. The local power system determines what will be pushed locally, -perhaps water systems, hay driers, or electric poultry equipment. Once the selection is made, every available medium is used. In many instances it will be necessary for the farmer to make changes and additions to his wiring. The distributor could participate in the traveling tent shows, a traveling exposition using local power co-op annual meetings for display. All dealers would realize that the

lack of repair facilities for farm electrical equipment might cause serious financial loss to the farmer. This campaign presents an unusual opportunity for the electrical trade to develop a profitable market--and at the same time perform a patriotic service.

NEW IOWA HIGHLINE SYSTEM
WILL BENEFIT ALL ELECTRIC USERS

Paid ad in
Carroll (Iowa) Times Herald

(Map of Iowa showing highline system)

Our company and 7 major electric companies are planning a \$38 million statewide high voltage transmission grid. When complete, the system will be a network of 1,259 miles of 161,000-volt electric lines providing an "expressway" for movement of large quantities of electric energy between companies. All financing will be done by private investors. No use of government funds is expected. When Missouri River hydroelectric power becomes available, the grid will be ready to make connections and transmit such power to Iowa users. Customers of the "grid" companies will get the advantage of the cheapest fuel and most efficient power plants available.

IOWA PUBLIC SERVICE COMPANY

INDIA'S FIRST CO-OP ELECTRIC
PLANT COMPLETED

The Cooperative Builder
July 31, 1952
Superior, Wisconsin

Bombay, India (CNS) - Rural electrification with the aid of a pioneering co-op electric power plant in Danahu district may help to relieve terrific overcrowding in Bombay by enabling more people to make a living on the land. That's what a government official said at recent dedication of the plant.

V. L. Mehta, minister for finance and cooperation, said cottage industries--people working in their homes--would receive a tremendous boost from electric power.

IN THE NATION'S CAPITAL Telephony
(Review of "The Farmer Takes a Hand") August 23, 1952

Mark Childs, the author of "The Farmer Takes a Hand" is a well known newspaper columnist who fell in love with the co-op movement at an early age and never got over it. He can see no reason why co-ops should be regulated, or taxed, or otherwise obey the laws which the rest of us obey. He says only 20 years ago a bare 10% of the farms had electric power whereas today more than 80% have it. What brought this about? The co-op association developed by farmer groups throughout the U. S., Mr. Childs says. This is palpably untrue in view of the fact that little more than half of the nation's farms which have electricity are served by co-ops. For Childs, rural electrification virtually began with the REA in 1932. The pioneering efforts of private industry which went back before World War I and featured the successful demonstration at Red Wing, Minnesota, in 1923, are kissed off as unproductive studies which private industry was too stubborn to follow up. When privately owned utilities insist on compensatory wholesale rates for power sold to co-ops, they are extortionate. When they cut their rates to avoid

complications of competitive co-op or government agencies getting into their territory, they are undermining the co-ops by unwarranted price cutting. When REA co-ops finish the job of distributing electricity, Mr. Childs wants to see them go into heavy transmission and generation. It is hard to see why at this late date it needs to be argued that electricity is useful on the farm and saves a good many steps.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

November 3, 1952

P R E S S D I G E S T

A Sample of Newspaper Stories and Comment Regarding the
Rural Telephone and Rural Electrification Loan Programs

TELEPHONES

FIRST REA PHONE LOAN REPAYMENT ANNOUNCED

Washington (DC) Evening Star
October 13, 1952

(AP) - The REA announced yesterday the first repayment due the government under the rural telephone loan program has been made on schedule. The Fredericksburg and Wilderness Telephone Company of Chancellor, Virginia, which placed the first REA-financed telephone facilities in service in September 1950 made the payment of principal and interest, the REA said. REA loans, at 2 percent interest, are scheduled to be repaid over a maximum 35-year period.

REA FINANCING HELPS RURAL PHONE SERVICE

U.P. Story by Patricia Higgins in
Shelbyville (Ill.) Daily Union
September 29, 1952

One day last summer a Virginia electric company received a \$220,000 federal loan to build new power lines. The following day a telephone co-op in Kansas got a \$602,000 loan to help replace hand-crank phones along its farm circuit. Both loans were approved by REA. The REA has been in the electric loan business much longer--since 1935--than the telephone business--authorized in 1949. By July 1, 1952, REA had approved \$2,592,629,925 in loans to 1080 electric borrowers, and \$82,000,000 to 190 telephone borrowers. Rural telephone service has lagged far behind other rural advances. According to the U.S. census, fewer farms had telephones in 1950 than in 1920 when rural telephone service hit its peak. REA experts explain it this way: In the flurry that put crank phones on 2,498,246 farms in 1920, no arrangements were made for maintenance, replacement or improvements. When lines began to go bad, they stayed that way. Merely to replace the old system would take \$100 per farmer today. Up-to-date equipment is closer to \$400. This higher cost is what put a crimp in recovery of rural systems. Congress moved in to speed up the process by authorizing REA to take on the rural phone loan program. REA makes no grants or subsidies. It merely acts as banker to local systems--and gives technical advice in construction and operation problems.

PLAN TO BUY PHONE FIRMS CALLED ILLEGAL

The Indianapolis Star
September 27, 1952

Federal and state laws are being evaded under a 6,713,000 plan of the Hoosier Telephone Co-op to purchase and expand 13 small telephone companies, it was charged before the Indiana Public Service Commission. Ten businessmen--patrons of the Attica Telephone Company challenged the legality of loans totaling \$6,618,000 which the co-op is to receive from the REA. Free private enterprise is and has been ready, able and willing to purchase the properties but has been deterred because it cannot and will not compete against Hoosier

which has behind it the fantastic sums of money and resources of the U. S. Treasury, the patrons' petition asserted. Main grounds upon which the plan is illegal, according to the Attica petition, are: 1 - REA loans are available only to "rural areas" having populations of less than 1500 while Attica has 4500 inhabitants. 2 - Hoosier telephone purports to be a co-op but intends to do business with non-members, thereby compelling the public to become members of the co-op. 3 - The utility plans to consolidate all the properties and expand their facilities but Federal law on REA loans prohibits use of the money for creation of a vast network of telephone companies. 4 - The Hoosier co-op was not properly organized under Indiana laws. The 13 companies have 11,000 subscribers in west central Indiana.

LET SLEEPING DOGS LIE?

New York State Telephone Association Bulletin, No. 89
September 12, 1952

We pride ourselves in New York State on doing a good communications job, and in the feeling that we are not particularly vulnerable in respect to formation of telephone co-ops under REA. However, we entertain concern about the intensified effort of that agency wherever it can find an opening in the commercial telephone industry. What are the causes that bring about formation of telephone co-ops? Failure (1) to provide adequate service to subscribers; (2) to provide service to all applicants in the operating area. Ours is a service industry committed to provide the public with the best possible service at lowest possible cost commensurable with a just return to the company on its invested capital. There are a few areas in New York that may be considered danger zones. Every telephone company in the country must provide adequate service or face one of three inevitable courses; sale to or merger with another Independent, sale to a rural telephone co-op, or sale to an Associated Bell Company. The first, providing adequate service, is by far the most desirable. The requirements are few; first, a definite plan for action and determination to carry it to completion. Through your Association's committees, and the close cooperation of the New York Telephone Company, the Public Service Commission, and any of several lending institutions, you have available the most competent assistance. Don't delay.

RURAL PHONE LOANS NEARLY EXHAUSTED

Column by Peter Edson in
Washington (DC) Daily News
October 18, 1952

The rural telephone loan program of the REA has proved so popular that REA may be out of money to lend shortly after the first of the year. The original allocation was for \$25,000,000 plus a \$10,000,000 contingency fund. Twelve million dollars of this has already been advanced on approved loans with a face value of \$94 million. Applications are coming in faster than they can be processed, with nearly 600 now on file. The first loan repayment to fall due was made on time, two years after the loan was granted to the Fredericksburg and Wilderness Telephone Company of Chancellor, Virginia. U. S. Chamber of Commerce is opposing the rural phone program as unfair competition to private enterprise.

REA HEAD WARNS AGAINST MONOPOLY TRENDS

Public Utilities Fortnightly
October 9, 1952

The attitude that the utility business by its very nature is a monopoly, is one which no organization, private, public or cooperative, can afford to

take, said REA Administrator Wickard at the Iowa Statewide meeting on September 17. It is unfair to the consumers and sooner or later it will lead to trouble, he added. Most telephone companies, large and small, seemed to have arrived at a place where they were totally indifferent as to whether rural people got telephone service or the quality of service. It is startling to people to know that less farms have telephones, according to the 1950 census, than was shown to be true by the 1920 census. Wickard denied that the REA is trying to create more competition for telephone companies. He said it would be preferable if existing companies would take advantage of long-term credit available to them. He criticized the feeling among co-ops as well as private companies, that monopoly offers security of position. Such an attitude is an indication that seeds are being sown which will suddenly bring dissatisfaction. He called on co-ops to draw up long-term objectives, policies and procedures. When a co-op board has developed written policy in line with these objectives, it has taken a long step to avoid monopolistic tendencies.

TELEPHONE CO-OP BRINGS SERVICE TO
TOWNS AND COUNTRY

The Greenville (SC) News
October 5, 1952

Laurens - The Piedmont Rural Telephone Cooperative was formed when the need for rural and urban service improvement became obvious. REA granted an allotment of \$540,000 to provide service for an ultimate 1,463 subscribers. Work started in April 1952. This week the first dial phones were connected at Gray Court. The construction on this project is not simply a matter of raising new lines and installing new exchanges. A great deal of the territory has had partial telephone service for many years. Henry M. Faris, REA supervisor, said the overall project is approximately 70 percent complete. The cable method of connection being used does away with the age-old nuisance of unsightly single wires. Modern French type cradle phones are being used to replace the old handcrank models. When the project is complete, hundreds of rural and urban homes will have telephone facilities as convenient and modern as can be found in the largest cities. Like the REA power co-ops, the telephone system will be paid for by those who use its service and will eventually become the property of the subscribers.

ELECTRIFICATION

REA RECORD REVEALS VAST
HELP FOR RURAL FAMILIES

Fresno (Calif.) Bee
September 14, 1952

The United States ordinarily is thought of as a country in which electricity and telephones are available for almost the asking in practically any household. The fallacy of this is evidenced by an REA report showing 223,000 farm families soon will enjoy electric service for the first time and 55,000 others are to have telephones. Moreover, because of the REA program started 17 years ago, 3,770,000 rural consumers are being served. On the repayment side, the federal treasury already has received approximately \$362,000,000 on loans totaling about \$2.5 billion. In numerous instances they are repaying the U. S. government instead of awaiting service from privately owned utility concerns which would have insisted upon immediately assured dividends. The REA truly has been rewarding investment in bettering the living standards of rural America.

FIRST "CO-OP" POWER PLANT
PROMISED KENTUCKY IN 1953

Wall Street Journal
September 30, 1952

St. Louis -- Kentucky's first cooperatively owned power-generating plant will get into operation on September 1, 1953, it was announced by High Spurlock, manager of the East Kentucky Rural Electric Cooperative Corporation. He declared the project will serve 100,000 farm homes initially.

CITY CONCLUDES \$14 BILLION DEAL
WITH GMP ON SURPLUS POWER SALE

The Burlington (Vt.) Free Press
September 27, 1952

The aldermen last night approved the city's pact with the Green Mountain Power Corporation concerning the sale of surplus power from the proposed \$4 million generating station. The city will lease the generating station to GMP for a 7½ year term at annual rental of \$185,000. The plan calls for a GMP to sell to the city all the power needed by the municipality at a rate of about one cent a kwh. The city will purchase the GMP distribution system within the city limits, and all customers of GMP now in the city will be added to the city lists and will pay city rates. The city will pay \$1 million for the distribution system. Under a modification of the original proposal, the city will pay the \$1 million over a 10-year period from the profits it will realize from the newly-acquired distribution system. This modification eliminates the necessity of a bond issue and a referendum. Mayor J. Edward Moran has stated the plant will be completed by January 11, 1954. The Northeast Association Power Committee and the Citizens Utilities Company offered plans similar to GMP--except they were unable to offer the sale of the distribution system. It is this system, according to the Mayor, which makes the GMP plan the most acceptable.

CO-OPS LOSE RIGHT TO SERVE
RURAL INDUSTRIES IN TWO STATES

Wisconsin REA News
August 1952

In Kentucky last month, rural electric co-ops received what they call "the most damaging blow to date". The Kentucky PSC ruled on a dispute between the Taylor County Electric Co-op and the Kentucky Utilities Company as to which should be allowed to serve a commercial load moving from Campbellsville to a rural area served by the co-op. While the case was still pending, the commercial utility constructed a distribution line to the Union Underwear Company plant, the load in question, crossing a 3-phase co-op line. The co-op contended its financial structure was based largely on the premise that as rural areas were electrified, industries would be attracted, and revenue from these rural industries would substantially help the co-ops repay their REA loans. The PSC says in effect: "Co-ops are welcome to serve farm families in their areas, and some smaller industries if the private utilities don't want them, but they must step aside if a good commercial load happens to locate in the middle of their area." The Kentucky Statewide has appealed the decision, contending the future of rural electrification nationally as well as in Kentucky is at stake.

On June 2, the Arkansas supreme court declared a rural co-op lost its right to serve an area when the area involved was annexed to a city served by a private company. Point at issue: Whether or not Farmers Electric Co-op Corporation of Newport was entitled to serve patrons now within Newport. Arkansas Power and Light Company serves that city which had annexed some territory originally allocated to the co-op. Among the electric users was Trim-foot Company. Trim-foot applied to Arkansas Power and Light for service.

The co-op objected. The PSC originally ruled the annexed territory remained a portion of the co-op's area. The decision was reversed by the circuit court, and on June 2, the supreme court upheld the circuit court.

URNS DOWN REA PROPOSAL

Public Utilities Fortnightly
October 9, 1952

The Florida Road Board last month turned down a proposal of REA to extend service into northern Florida. The federally sponsored power group sought to use highway rights of way for extending lines from Georgia to Florida. Chief objection to the area branch - the Okefenokee Rural Electric Membership Corporation - was that it would bring federally subsidized power in competition with power produced in Florida. The board was assured of adequate service by the utilities commissioner for the city of Jacksonville and the Florida Power & Light Company.

POWER PRODUCERS SPENDING \$2½ BILLION TO KEEP AHEAD OF DEMAND

Washington Post
September 21, 1952

New York (AP) - The Nation's private power producers are spending an estimated \$2½ billion this year to keep ahead of an unprecedented demand for electricity. They've had to battle rising costs, material shortages and even the weatherman. But they've turned the trick. They figure when the peak demand comes in December, there will be electricity enough. They make one exception -- the Pacific Northwest. That is principally an area of public power--electricity developed by Federal or county projects. They outnumber the private electric companies by a good margin. Private power men won't be quoted on the northwest situation but they say power available in that area has been oversold. Aluminum plants have been encouraged to settle in that section. Less expensive power at the government's Bonneville Dam has been a lure.

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